

HCB 10 -- INSURANCE PROCEEDINGS (Engler)

COMMITTEE OF ORIGIN: Standing Committee on Insurance Policy

SHORT-TERM MAJOR MEDICAL POLICIES

This bill exempts short-term major medical policies from several health insurance mandates in Chapter 376, RSMo, and allows such policies to have a term of less than one year. Currently, the term limit is up to six months duration.

The bill requires the fact page of all short-term major medical policies to include a disclosure stating "this policy does not satisfy the individual mandate of the Affordable Care Act and you may be subject to the individual shared responsibility payment fee."

LIFE INSURANCE

Currently, life insurance companies can exclude coverage for suicide for one year after the issuance of a policy. This bill adds the exclusion to any additional riders, endorsements, or amendments added.

Any life insurance policy that has lapsed and then been reinstated can exclude coverage for suicide for one year from reinstatement (Sections 376.620 and 376.625, RSMo).

This is the same as HB 341 (2017).

MARKET CONDUCT EXAMINATIONS

The bill provides that if the Director of the Department of Insurance, Financial Institutions and Professional Registration determines that an insurance company should pay interest upon any claims, refunds, or payments due to an examination, investigation, settlement agreement, or other action that the interest charged shall be determined as provided in Section 32.065, RSMo, not to exceed 9% (Section 374.191).

This is the same as HCS HB 345 (2017).

COMMERCIAL INSURANCE MARKETS

Beginning January 1, 2018, this bill specifies that certain commercial insurers are exempt from filing rates and policy forms with respect to certain lines of commercial insurance where the aggregate total annual premiums for a single commercial policyholders exceeds \$100,000 (Section 379.321).

This is similar to HCS HB 741 (2017).

MISSOURI QUALIFIED LONG-TERM CARE PARTNERSHIP POLICY

This bill specifies that any whole life insurance policy with long term care riders shall qualify for the Missouri qualified long-term care partnership approval policy if such policy meets the qualifications set forth by the National Association of Insurance Commissioners' Long-term Care Insurance Model Act and Regulation as specified in 42 U.S.C. 1917, and the provisions of Section 6021 of the Federal Deficit Reduction Act of 2005 (Section 208.690).

This is the same as HB 829 (2017).

FESTIVAL LIABILITY INSURANCE

This bill provides that members of a fair board of directors in certain third class counties are not required to have liability insurance covering themselves while operating, maintaining or conducting a festival (Section 316.160).

This is the same as HCS HB 863 (2017).

LONG-TERM CARE INSURANCE RATES

This bill prohibits a licensed insurance company from issuing any policy or certificate of long-term care insurance unless the classification of risks and the premium rates pertaining to the policy or certificate have been filed with and approved by the Director of the Department of Insurance, Financial Institutions and Professional Registration. Long-term care insurance rates cannot be excessive, inadequate, or unfairly discriminatory and cannot increase by more than 20% per year unless the insurer can clearly document a material and significant change in the risk characteristics of all of its in-force long-term care insurance policies or certificates (Section 376.1110.1).

Rates must be determined by past and prospective loss experience and expenses, adequate contingency reserves, and all other relevant factors within and without the state. If an insurance company implements a rate that the director has determined is unreasonable under subsections 1 and 2 of this section, the department shall make such determination public, in a form and manner determined by rule (Sections 376.1110.2 and 376.1110.3).

This bill is the same as HCS HB 611 (2017), HB 2268 (2016), and HB 954 (2015).

PROPERTY INSURANCE

This bill modifies provisions relating to property insurance. In order to make policies easier to read the Director of the Department of Insurance, Professional Registration and Financial Institutions can approve fire insurance policy forms other than the standard fire insurance policy which otherwise meets requirements of law and are at least as favorable to the insured as the standard fire insurance policy (Section 379.160).